

## Program C: Contract Litigation

Program Authorization: R.S. 39:1527-1544

### PROGRAM DESCRIPTION

The mission of the Contract Litigation Program in the Office of Risk Management is to fund for payment of contracts issued for the professional legal defense of claims made against the state, including attorneys, expert witness, etc.

The goal of the Contract Litigation Program in the Office of Risk Management is to sufficiently fund payment of contractual liabilities for costs associated with defense of claims against the state.

Contract Litigation provides funding for payment of contractual liabilities for costs associated with defense of claims against the state. The Litigation Division of the Department of Justice handles approximately 90% of all Office of Risk Management Claims. Cases are assigned to contract attorneys due to need for specialized expertise, geographical location of claim or caseload of Litigation/Department of Justice attorneys.

### OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To pay contract attorneys/firms for billings issued to the ORM for legal services.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Amount paid for contract attorneys and associated expenses	\$10,000,000	\$8,921,620	\$10,000,000 <sup>1</sup>	\$10,000,000 <sup>1</sup>	\$10,000,000 <sup>1</sup>	\$10,000,000 <sup>1</sup>

<sup>1</sup> This figure is based on the expectation that 20% of new litigation cases and 19% of all open tort litigation cases will be handled by contract attorneys.

Explanatory Note: Because the Department of Justice, Risk Litigation Division, determines which cases it will handle and which cases should be assigned to outside attorneys, the Office of Risk Management has minimal control over the percentage of cases handled by outside attorneys. The area of performance on the part of Risk Management is in the area of audit and payment of invoices as indicated by the performance indicator above. The information below is being provided as a supplement to the performance indicators of DOJ/DRL. If they handle 80% of ORM's cases, that leaves 20% to be handled by contract attorneys. Prior to FY 1999-2000, their performance indicator was to handle 90% of all new cases. For FY 1999-2000, DOJ/DRL set their performance goal at handling 80% of all new cases.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 60 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	9,928,833	10,000,000	10,000,000	10,000,000	10,000,000	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<b>\$9,928,833</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	9,928,833	10,000,000	10,000,000	10,000,000	10,000,000	0
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<b>\$9,928,833</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

## SOURCE OF FUNDING

The Contract Litigation program is funded with Fees and Self-generated Revenues. Fees and Self-generated Revenues are derived from premiums billed for insurance provided by this Office and from interest earnings from the self-insurance fund. State and quasi-state entities obtain insurance through the Office of Risk Management.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$10,000,000	0	ACT 60 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$10,000,000	0	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$0	0	None
\$0	\$10,000,000	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$10,000,000	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$10,000,000	0	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 100% of the existing operating budget. It represents 90.9% of the total request (\$11,000,000) for this program

## PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

## OTHER CHARGES

\$10,000,000 Legal Services - Fees for attorneys as appointed by the Division of Risk Litigation, Department of Justice with concurrence by the Office of Risk Management for defense costs relating to tort actions against the state

**\$10,000,000 SUB-TOTAL OTHER CHARGES**

### **Interagency Transfers:**

This program does not have funding for Interagency Transfers for Fiscal Year 2000-2001.

**\$10,000,000 TOTAL OTHER CHARGES**

## ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for the Fiscal Year 2000-2001.